



## **Aquarion Applies for Rate Increase**

Aquarion Water Company (“Aquarion”), which provides water service to 635,000 people in forty-seven Connecticut towns, has submitted a notice of intent to file for an increase in its rates with the Connecticut Public Utilities Regulatory Authority (“PURA”). Aquarion’s proposal would raise the current rates by 16.8% this year, then by an additional 2% in each of the subsequent years. The last time Aquarion filed for a rate increase was June 2007. Based on its own financial predictions adjusted to 2012 sales data, the proposed increase would result in approximately \$26.9 million in additional annual revenue for Aquarion.

Although rates would be about 16.8% higher on average under Aquarion’s proposal in the first year, the proposed increase would not have an equal impact on all ratepayers. Individual ratepayer impact would vary depending on the ratepayer’s location and billing classification.

Aquarion states that it is seeking the increase as a result of its capital investments made in local infrastructure improvements, totaling \$143 million since June 2007. Specifically, Aquarion cites investments it has made in its water mains, storage tanks, water treatment plants, dams, and enhanced pump stations.

OCC will of course review Aquarion’s proposal carefully and develop its own viewpoint as to the necessity and amount of any rate increase. OCC will represent the ratepayers and present testimony in the PURA hearing room to try to ensure that Aquarion’s rates remain no higher than just and reasonable. OCC will also examine Aquarion’s rate design proposal and seek to ensure that it will not place an undue burden on any particular set of customers.